

## Message Text

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ACTION EUR-12

INFO OCT-01 EA-06 IO-10 ISO-00 AID-05 CEA-01 CIAE-00

COME-00 EB-07 FRB-03 INR-07 NEA-09 NSAE-00 OPIC-03

SP-02 TRSE-00 CIEP-01 LAB-04 SIL-01 OMB-01 SS-15

XMB-02 OIC-02 NSC-05 L-02 H-02 PA-01 PRS-01 STR-01

FEA-01 SAM-01 /106 W

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P R 071956Z MAR 75

FM USMISSION OECD PARIS

TO SECSTATE WASH DC PRIORITY 5816

INFO AMEMBASSY ANKARA

AMEMBASSY ATHENS

AMEMBASSY BERN

AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY CANBERRA

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY THE HAGUE

AMEMBASSY HELSINKI

AMEMBASSY LISBON

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY MADRID

AMEMBASSY OSLO

AMEMBASSY OTTAWA

AMEMBASSY PARIS

AMEMBASSY REYKJAVIK

AMEMBASSY ROME

AMEMBASSY STOCKHOLM

AMEMBASSY TOKYO

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E.O. 11652: N/A

TAGS: ETRD, OECD

SUBJECT: MEETING OF TRADE COMMITTEE, MARCH 4-5

REF: OECD 05742

1. SUMMARY: TRADE COMMITTEE AGREED ON STATEMENT INDICATING NEAR UNANIMOUS SUPPORT FOR RENEWING TRADE PLEDGE IN PRESENT FORM AND HAD INCONCLUSIVE DISCUSSION ON ROLE COMMITTEE MIGHT PLAY IN ASSISTING IEA. IN RESPONSE TO US PROPOSAL, TC AGREED TO HOLD CONSULTATIONS IN WORKING PARTY ON RECENT UK AND AUSTRALIAN TRADE MEASURES AT EARLY DATE. COMMITTEE ALSO CONFIRMED EXISTING WORK PROGRAMS IN AREAS OF EXPORT CONTROLS, COMMODITIES, AND EXPORT CREDITS. NEXT MEETING OF TC WAS TENTATIVELY SCHEDULED FOR JUNE 19-20. END SUMMARY

2. TRADE PLEDGE: SEPARATE REPORT IN REFTEL.

3. ENERGY PROBLEMS: IEA'S HOPKINS OPENED DISCUSSION BY INFORMING TC THAT GOVERNING BOARD WAS INTERESTED IN DETERMINING WHAT WORK BEING DONE IN TRADE COMMITTEE MIGHT BE OF RELEVANCE TO IEA ACTIVITIES, AND WAYS IN WHICH TC MIGHT BE OF ASSISTANCE TO IEA. SEVERAL DELS REFERRED TO ON-GOING DISCUSSIONS ON EXPORT CONTROLS, COMMODITIES, (INCLUDING INDEXATION) AND TRADE PLEDGE, AND EXPRESSED OPINION TC SHOULD BE WILLING TO UNDERTAKE OTHER ANALYTICAL WORK WHICH MIGHT BE RELEVANT TO ENERGY PROBLEMS. SWEDEN, SWITZERLAND AND NETHERLANDS ARGUED TRADE COMMITTEE SHOULD NOT AWAIT DECISIONS BY IEA BUT BEGIN ANALYSIS OF TRADE POLICY PROBLEMS ON URGENT BASIS. ITALY AND GERMANY ALSO URGED EARLY EFFORT TO TACKLE KEY ISSUES, SUCH AS IMPLICATIONS OF MINIMUM PRICE PROPOSALS. US, HOWEVER, EXPRESSED VIEW THAT SUCH WORK WOULD BE PREMATURE AND PROPOSED TC SIMPLY LET IEA KNOW THAT IT WOULD BE WILLING TO RESPOND TO ANY REQUESTS FOR ASSISTANCE THAT LATTER MIGHT MAKE LIMITED OFFICIAL USE

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OF IT. CANADA ALSO THOUGHT SUBSTANTIVE WORK WOULD BE PREMATURE AND UK NOTED THAT GROUP HAD TO RECOGNIZE IEA HAD RESPONSIBILITY FOR OIL AND THAT TC SHOULD SERVE ADVISORY ROLE. IN CONCLUSIONS ADOPTED BY TC, COMMITTEE AFFIRMS ITS COMPETENCE FOR DEALING WITH TRADE POLICY QUESTIONS RELATED TO ENERGY PROBLEM, INFORMS IEA OF ITS INTENTION TO BE OF ASSISTANCE WITH REGARD TO TRADE PROBLEMS WHICH MIGHT ARISE

IN CONNECTION WITH AGENCY'S WORK, AND PROPOSES TO COLLECT FACTUAL INFORMATION WHICH MIGHT, IN KEEPING WITH THIS INTENTION, FACILITATE AN ASSESSMENT OF DIFFERENT POLICY OPTIONS AT A LATER STAGE.

4. EXPORT CONTROLS: US DEL EXPRESSED APPRECIATION FOR WORK OF SECRETARIAT AND TCWP AND URGED WORK CONTINUE UNDER EXISTING MANDATE WITH AIM OF PRODUCING BROADER AND MORE BALANCED SPECTRUM OF OPTIONS, PLACING MORE EMPHASIS ON PRAGMATIC APPROACHES OTHER THAN CODE, FOR IN-DEPTH DISCUSSION AT NEXT TC MEETING. CANADA AND AUSTRALIA NOTED THEIR DISAPPOINTMENT WITH WORK AS CARRIED OUT THUS FAR, BUT AGREED EFFORT SHOULD CONTINUE, AT LEAST THROUGH NEXT TC MEETING. SEVERAL OTHER DELS MADE SUGGESTIONS AS TO BALANCE BETWEEN EMPHASIS WHICH SHOULD BE GIVEN TO LEGALISTIC AND PRAGMATIC APPROACHES, AND TC AGREED TO HAVE THOROUGH DISCUSSION AT NEXT MEETING ON BASIS OF REPORT TO BE PRODUCED BY TCWP.

5. CHANGES IN TRADE POLICY: US DEL, WITH GENERAL

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SUPPORT FROM JAPAN, SWEDEN, AND SWITZERLAND, PROPOSED THAT IN VIEW OF DIFFICULT WORLD-WIDE ECONOMIC SITUATION OECD MEMBERS SHOULD MAKE GREATER USE OF TRADE COMMITTEE NOTIFICATION AND CONSULTATION PROCEDURES, WITH AIM OF SOLVING TRADE PROBLEMS ON A COOPERATIVE RATHER THAN UNILATERAL BASIS. HE SUGGESTED THREE RECENT TRADE ACTIONS AS EXAMPLES OF MEASURES TCWP SHOULD EXAMINE IN SOME DETAIL, NAMELY 1974 FRENCH EXPORT INVESTMENT SUBSIDY, AUSTRALIAN TARIFF QUOTAS AND QUANTITATIVE RESTRICTIONS, AND UK INFLATION INSURANCE SCHEME. UK AND AUSTRALIA AGREED TO CONSULTATIONS IN TCWP. DESPITE FACT US DEL QUOTED PORTIONS OF FRENCH LAW WHICH INDICATED INVESTMENT SUBSIDY WAS CLEARLY INTENDED TO HAVE EXPORT PROMOTION EFFECT, FRANCE WOULD NOT ACCEPT EXAMINATION OF THEIR ACTION, ARGUING THAT IT WAS AN INTERNAL AND NOT A TRADE POLICY MATTER. GOF WOULD AGREE TO CONSULT ABOUT MEASURE ONLY IN "APPROPRIATE FORUM" (I.E. NOT IN TRADE COMMITTEE). AUSTRALIANS TOOK OFFENSE AT SWEDISH STATEMENT THAT THEIR QRS VIOLATED

SPIRIT OF TRADE PLEDGE, AND SAID IF THIS OPINION WERE SHARED BY A LARGE NUMBER OF DELS, GOA WOULD NEED TO GIVE CAREFUL THOUGHT BEFORE SUPPORTING RENEWAL OF PLEDGE IN PRESENT FORM. GROUP AGREED TO CONSULT ON AUSTRALIAN AND UK MEASURES IN TCWP AT EARLY DATE.

6. COMMODITIES. TC AGREED WORK CARRIED OUT TO COORDINATE POSITIONS FOR UNCTAD HAD BEEN USEFUL AND SHOULD BE CONTINUED UNDER EXISTING MANDATE ALONG WITH OTHER WORK ON COMMODITY PROBLEMS. TC ADOPTED OUTLINE FOR DETAILS OF FURTHER WORK PROPOSED ORALLY BY SECRETARIAT, INCLUDING STATISTICAL WORK ON RELATIVE DEGREES OF DEPENDENCE, PILOT STUDIES OF PRICE PROBLEMS FOR SELECTED COMMODITIES, EXAMINATION OF AVAILABLE STUDIES ON PROCESSING PROBLEMS, AND INTEGRATION OF OECD-ORIENTED COMMODITY WORK WITH THAT DONE IN PREPARATION FOR UNCTAD LIMITED OFFICIAL USE

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MEETINGS.

7. PREFERENCES: GREECE, TURKEY AND SPAIN MADE STATEMENTS URGING THAT THEY BE INCLUDED ON BENEFICIARY LISTS OF OTHER OECD MEMBERS' GSP SCHEMES.

8. EXPORT CREDITS: GROUP AGREED TO FORWARD DRAFT AGREEMENT ON LOCAL COST STANDARD TO COUNCIL FOR APPROVAL AND EXPRESSED SUPPORT FOR RAPID PROGRESS ON GENTLEMAN'S AGREEMENT.

9. DATE OF NEXT MEETING: AMID GENERAL CONSENSUS THAT NEXT MEETING SHOULD TAKE PLACE IN LATE JUNE OR EARLY JULY, GROUP SETTLED ON JUNE 19-20 AS TENTATIVE DATE IN VIEW OF CONFLICTS WITH OTHER MEETINGS AND DIFFICULTIES IN GETTING MEETING FACILITIES ON OTHER DAYS.  
TURNER

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## Message Attributes

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**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
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**Copy:** SINGLE  
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**Disposition Approved on Date:**  
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**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
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**Reference:** 75 OECD 05742  
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**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** MEETING OF TRADE COMMITTEE, MARCH 4-5  
**TAGS:** ETRD, OECD  
**To:** STATE  
**Type:** TE  
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